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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
6

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8 *Ex parte* GERALD LACOUR, GARRETT LACOUR, ROBERT COBIN, and
9 MAT NOWICKY
10

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12 Appeal 2008-1598
13 Application 10/060,027
14 Technology Center 3600
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17 Decided: August 25, 2008
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20 Before HUBERT C. LORIN, ANTON W. FETTING, and DAVID B. WALKER,
21 *Administrative Patent Judges*.
22 FETTING, *Administrative Patent Judge*.

23 DECISION ON APPEAL

24 STATEMENT OF CASE

25 Gerald Lacour, Garrett Lacour, Robert Cobin, and Mat Nowicky (Appellants)
26 seek review under 35 U.S.C. § 134 of a final rejection of claims 7-10, the only
27 claims pending in the application on appeal.

28 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

29 We REVERSE.

1 The Appellants invented a way of digitally recording audio and video data
2 from vehicle sales transactions, stored on CD-R, CD-RW, DVD-R or DVD-RAM
3 media, and producing catalog data associated with each transaction recording
4 which allows the recording to be readily located and played at a subsequent time.
5 (Specification 5:19 – 6:3).

6 An understanding of the invention can be derived from a reading of exemplary
7 claim 7, which is reproduced below [bracketed matter and some paragraphing
8 added].

9 7. A business method for documenting vehicle purchase transactions
10 comprising the steps of:

- 11 [1] creating a digital, audio-visual record
12 of communications between
13 a vehicle dealership representative and
14 a consumer
15 during all or part of a vehicle purchase transaction;
16 [2] creating a computer-searchable identifier
17 of said digital, audio-visual record; and
18 [3] storing
19 said digital, audio-visual record and
20 said computer-searchable identifier
21 in a computer database.

22 This appeal arises from the Examiner's final Rejection, mailed June 7, 2006.
23 The Appellants filed an Appeal Brief in support of the appeal on January 12, 2007.
24 An Examiner's Answer to the Appeal Brief was mailed on April 20, 2007. A
25 Reply Brief was filed on June 21, 2007.

PRIOR ART

The Examiner relies upon the following prior art:

Haber US 5,136,646 Aug. 4, 1992
Earle Eldridge, More car dealers now videotape sales, USA Today, v. 19, n. 204, p.
B(1), July 3, 2001

REJECTION

Claims 7-10 stand rejected under 35 U.S.C. § 103(a) as unpatentable over
Haber and Eldridge.

ISSUES

The issue pertinent to this appeal is whether the Appellants have sustained their
burden of showing that the Examiner erred in rejecting claims 7-10 under 35
U.S.C. § 103(a) as unpatentable over Haber and Eldridge. The pertinent issue
turns on whether Haber or Eldridge describe limitations [2] and [3] of claim 7.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported
by a preponderance of the evidence.

Haber

01. Haber is directed to time-stamping digital documents while continuing
to maintain the two essential characteristics of accepted document
verification. First, the content of a document and a time stamp of its
existence are "indelibly" incorporated into the digital data of the
document so that it is not possible to change any bit of the resulting
time-stamped data without such a change being apparent. In this
manner, the state of the document content is fixed at the instant of time-

1 stamping. Second, the time at which the digital document is stamped is
2 certified by a cryptographic summary, or catenation, procedure that
3 deters the incorporation of a false time statement (Haber 2:50-64).

4 02. Haber applies to authors, each representing a distinct and identifiable,
5 e.g., by ID number or the like, member of the author universe. This
6 universe would be supported by a central record. Haber's author
7 prepares a digital document, which may broadly comprise any
8 alphanumeric, audio, or pictorial presentation. A document is
9 transmitted in a condensed representative form, to a time stamping
10 authority (TSA). The TSA time-stamps the document to create a receipt
11 by adding digital data signifying the current time, concatenates the
12 receipt with the current cryptographic catenation of its prior time stamp
13 receipts, and creates a new catenation from the composite document by
14 means of a deterministic function. The resulting catenate value is then
15 included with time and other identifying data in a document, now a
16 certificate of the temporal existence of the original document, which is
17 transmitted back to the author where it will be held for later use in any
18 required proof of such existence (Haber 3:1-27).

19 03. Haber describes its process as applying to any digital document that
20 may be the digital form or representation of any alphanumeric text or
21 video, audio, pictorial or other form of fixed data (Haber 5:65-67).

22 *Eldridge*

23 04. Eldridge is directed to the growing practice by car dealers of
24 videotaping their sales transactions (Eldridge 1:Abstract).

*Facts Related To Differences Between The Claimed Subject Matter And The
Prior Art*

05. Neither Haber nor Eldridge describe creating an identifier for a file that is used to search for that file, or storing such a file in a database.

Facts Related To The Level Of Skill In The Art

06. Neither the Examiner nor the Appellants have addressed the level of ordinary skill in the pertinent arts of systems analysis and programming, financial programming, vehicle sales and lease management, vehicle sales and lease systems, and digital communications. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not shown’”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

Facts Related To Secondary Considerations

07. The Appellants present two magazine articles describing commercial success of the product embedding their claimed subject matter as evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Claim Construction

During examination of a patent application, pending claims are given their broadest reasonable construction consistent with the specification. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364, (Fed. Cir. 2004).

Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003) (claims must be interpreted “in view of the specification” without importing limitations from the specification into the claims unnecessarily).

Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the Specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change).

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.”

35 U.S.C. § 103(a) (2000); *KSR Int'l v. Teleflex Inc.*, 127 S.Ct. 1727 (2007);
Graham v. John Deere Co., 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: “[(1)] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved.” 383 U.S. at 17. See also *KSR Int'l v. Teleflex Inc.*, 127 S.Ct. at 1734. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *KSR*, at 1739.

“When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.” *Id.* at 1740.

“For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.” *Id.*

“Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *Id.* at 1742.

ANALYSIS

Claims 7-10 rejected under 35 U.S.C. § 103(a) as unpatentable over Haber and Eldridge.

1 The Examiner found that Haber shows all of the limitations of the claims
2 except for specifying that the communications between a vehicle dealership
3 representative and a consumer would be the object of the audio-visual record. To
4 overcome this deficiency, the Examiner found that Eldridge teaches that the
5 growing practice by car dealers of videotaping the sales transactions is done in
6 order to protect customers from their finance and insurance staff. The Examiner
7 concluded that, based on the teaching of Eldridge, it would have been obvious to
8 one of ordinary skill in the art, at the time the invention was made, to modify the
9 Haber invention to be used in a car dealership in order to protect the customers
10 (Answer 3-4).

11 The Appellants contend that neither Habor nor Eldridge describe a digital
12 audio-visual record of limitation [1], and that Haber does not describe either the
13 computer-searchable identifier in limitation [2] or the storage in a database of
14 limitation [3] (Br. 6-9).

15 The Examiner responded that both Haber and Eldridge describe a digital audio
16 video record, that Haber describes a catenate certificate combined with a date as a
17 searchable identifier, and poses a query as to how Haber would prove existence of
18 a document without retrieving the document from a database (Answer 4-5).

19 We agree with the Examiner that both Haber and Eldridge describe video
20 content. Haber describes its process as applying to any digital document that may
21 be the digital form or representation of any alphanumeric text or video, audio,
22 pictorial or other form of fixed data (FF 03). Eldridge describes videotaping
23 automotive sales transactions (FF 04). Thus the combination of Haber and
24 Eldridge fairly suggests creating a digital, audio-visual record of communications

1 between a vehicle dealership representative and a consumer during all or part of a
2 vehicle purchase transaction.

3 Here we must part company with the Examiner. We find no evidence of either
4 limitations [2] or [3] in Haber or Eldridge (FF 05). We find that neither the word
5 “identifier” nor “database” occur in either Haber or Eldridge. Although Haber
6 refers to identifying data, this is not used for record searching, but for identifying
7 authors and for record validation instead (FF 02). As to the question posed by the
8 Examiner regarding how a record would be retrieved, such a question is simply not
9 evidence of storing the data in a database. Therefore, since the Examiner has not
10 shown that the applied art describes or even suggests limitations [2] and [3], the
11 Examiner has failed to make a prima facie case of unpatentability.

12 Since the Examiner has failed to make such a case for claim 7, there can be no
13 case for claims 8-10, depending from claim 7, and incorporating limitations [2] and
14 [3] from claim 7. The Appellants have sustained their burden of showing that the
15 Examiner erred in rejecting claims 7-10 under 35 U.S.C. § 103(a) as unpatentable
16 over Haber and Eldridge.

17 CONCLUSIONS OF LAW

18 The Appellants have sustained their burden of showing that the Examiner erred
19 in rejecting claims 7-10 under 35 U.S.C. § 103(a) as unpatentable over the prior
20 art.

21 DECISION

22 To summarize, our decision is as follows:

- 23 • The rejection of claims 7-10 under 35 U.S.C. § 103(a) as unpatentable over
24 Haber and Eldridge is not sustained.

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REVERSED

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5 JRG

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